



Testimony of
Harry Lombardo
International President of the
Transport Workers Union of America

Before the
Senate Committee on Banking,
Housing and Urban Affairs

Hearing titled:
“Surface Transportation Reauthorization:
Building on the Successes of MAP-21 to Deliver
Safe, Efficient and Effective Public
Transportation Services and Projects”

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Introduction

Chairman Shelby, Ranking Member Brown and distinguished members of the Senate Banking, Housing and Urban Affairs Committee, thank you very much for the opportunity to testify about the surface transportation reauthorization.

My name is Harry Lombardo and I am the President of the Transport Workers Union of America (TWU). Our union represents workers in the public transportation, aviation, railroad, university, utility, services and gaming sectors. TWU’s Transit Division members work around the country, including New York City, San Francisco, Miami, Houston, New Jersey, Columbus, Akron, Ann Arbor, Omaha, Winston-Salem and Philadelphia, where I was president of TWU Local 234 for seven years. TWU’s Air Transport Division members are employed by many carriers, including Southwest Airlines, American Airlines, American Eagle, Virgin America and Allegiant. The Railroad Division represents employees of Amtrak, Metro-North, New Jersey Transit, Path, Keolis (MBTA-Boston) SEPTA commuter rail, Norfolk Southern, CSX Conrail (SSA) and Union Tank. We also represent workers at Capital Bikeshare, Citi Bike, Divvy bikeshare, Hubway bikeshare, Columbia University, Harrah’s Casino, National Grid utility, the New York and New Jersey Port Authority and people working on government contracts with the Kennedy Space Center, Port Canaveral, Kings Bay Submarine Base, Fort Gordon and Fort Lee.

I started my transit career working for SEPTA as a car cleaner and became president of Local 234 in 1989. During my seven years as a local president, I learned firsthand that riders, workers and businesses all benefit when public transportation gets the funding and support it needs to provide safe and reliable service to the public.

Public transit is essential to the economic growth of our nation and a well-funded reauthorization bill would put millions of Americans to work. Transit creates good jobs for bus drivers and mechanics at TWU, but also for the people who manufacture the vehicles, small businesses along bus routes, construction workers who build transit

oriented development projects and millions of people who get to work on the bus and subway. When you look at the witnesses today, you see two people from organizations representing transit agencies, a representative of the American business community and a labor union president. We are all here to talk about how important public transportation is to our country. And when government officials, business and labor all agree about an issue, our nation's elected leaders should sit up and listen. On behalf of the TWU, I urge you to move forward with a well-funded, long-term surface reauthorization bill.

TWU has variety of concerns relating to the reauthorization bill. Most importantly, policy makers need to increase funding for the Highway Trust Fund (HTF). Our union supports a gas tax increase, but we are open to a variety of solutions to address the HTF shortfall. But not all proposals are viable and we urge members of Congress to remember that innovative financing instruments can only address a small part of our national transportation funding crisis. These financing mechanisms are appropriate for some types of infrastructure projects but should not be allowed to degrade transit workers' wages, benefits or retirement security, all of which have a direct effect on creating and maintaining a safety culture. We urge Congress to preserve and restore federal neutrality in public transportation privatization decision-making to ensure that federal officials do not mandate privatization decisions.

Workplace safety and health conditions should be addressed, including lowering the spate of assaults on drivers and ensuring that workers have restroom access, all of which have a direct impact on creating and maintaining a safety culture. When budgets are tight, public transportation systems should be given flexibility to use certain types of federal capital funds to pay operating costs on a temporary basis. Finally, transit worker labor protections should be preserved and expanded so that public transportation jobs can continue to provide the pay and benefits that are necessary to raise a family and retire with dignity.

Financing a Surface Transportation Reauthorization

It is no secret that the real challenge for those of you working on the MAP-21 reauthorization is the need to agree on a way to increase funding. Without congressional action, the HTF will run out next month. There are a variety of ways to tackle this problem and TWU believes the most sensible approach is the same one that has worked since 1956 -- increasing the gas tax.

Several members of Congress have offered proposals to address the revenue shortfall. Last year, Sens. Bob Corker (R-TN) and Chris Murphy (D-CT) unveiled a bipartisan plan to raise the gas tax and index it to inflation, which they estimated would raise \$164 billion over ten years. In the House, Rep. Earl Blumenauer (D-OR) has been a tireless advocate for fixing the infrastructure crisis and providing HTF revenue. Earlier this year, he reintroduced the UPDATE Act (HR 680) to phase-in a nickel per gallon gas tax increase over each of the next three years and index it to inflation after that. These proposals are the most straightforward solutions to addressing the financing shortfall, but a variety of other approaches have also been offered.

Over the last few years, many policymakers have advocated using tax reform to address the HTF shortfall by taxing repatriation of foreign corporate assets and using the windfall to fund the HTF. President Obama's Grow America Act included a provision to tax corporate assets that are stowed away overseas. Sens. Barbara Boxer (D-CA) and Rand Paul (R-KY) have introduced a bill that would shore up the HTF by assessing a 6.5 percent tax on repatriated corporate earnings. In the House, the Infrastructure 2.0 Act (HR 625), offered by Rep. John Delaney (D-MD), would fund the HTF for six years with these tax revenues. Each of these proposals makes important contributions to the debate and may ultimately be the pathway to find a bipartisan solution to the challenge. However, tax reform is extremely complex and it will be a particularly arduous task in an atmosphere of political polarization here in Washington. We cannot wait for months hoping for tax reform negotiations to be completed. Congress should act quickly so the reauthorization can move forward.

Last week, Reps. Jim Renacci (R-OH) and Bill Pascrell (D-NJ) introduced legislation that would guarantee short-term funding for highway and transit programs while leaving the door open to a variety of long-term solutions. Their bill, HR 1846, would index the gas tax to inflation and create a bipartisan panel to make recommendations to address the revenue shortfall. If Congress failed to act on the panel's proposals the gas tax would automatically increase to fill the funding gap. Modeled after the Simpson-Bowles Commission, their bill would help to solve our insolvency problems and encourage the creation of viable and creative bipartisan solutions to the HTF shortfall. TWU supports this approach and encourages Senators to consider the merits of the proposal.

I should also take a moment to respond to those who advocate for eliminating the Mass Transit Account or devolving transit to the states. These proposals impose unfunded mandates on states and ignore the needs of our national economy, which depends on an efficient and unified transportation system. Eliminating the federal transit program would deliver a body blow to our national economy. Imagine what would happen if transit funding was eliminated and there was additional traffic congestion in the Northeast, when the Washington to Boston corridor alone contributes 20 percent of the U.S. gross domestic product. These radical proposals would affect commuters, the businesses that employ them and the companies that depend on transit, such as bus manufacturers. Our national funding debate should focus on ways to invest more into our transit systems and make the country better off, rather than encouraging divisive efforts to slash transit budgets and undermine our national economy.

As federal funding dries up, some transit agencies have been moved to consider turning to the private sector to provide public transportation service. MAP-21 included provisions to encourage this process by requiring the U.S. Department of Transportation (DOT) to promote private sector interests. Our union believes these reforms undermine the primary goal of good public transportation policy, which should create and sustain safe, prompt and convenient transportation for riders. Our concerns are borne out in a 2013 Government Accountability Office study of transit contracting, which found that private operators offer lower safety standards and service quality than the public sector. Any cost savings that are achieved often come from lower wages and fewer benefits rather than productivity gains

or technological advancements. I urge you to roll back these pro-privatization reforms and keep the “public” in public transportation.

Policy makers are increasingly looking to public private partnerships (P3s) and other innovative financing tools to expand public transportation. In some circumstances P3s can play an important role in financing highway transportation projects, but TWU has serious concerns with any effort to use P3s to fund private transit operations and maintenance contracts. P3s should be designed to protect the public interest, provide transparency for taxpayers and safeguard front-line workers from arbitrary cuts. They are only suitable for a limited number of projects and they are not a substitute for a significant uptick in federal funding. These financial instruments should not be used to revoke collective bargaining agreements, weaken worker protections, lower wages and benefits, or in service of a business model to extract savings at the expense of workers. Structuring innovative financing instruments to the detriment of the public or the affected workforce will only serve to undermine their long-term viability.

Budget Flexibility

State and local budgetary problems often force transit agencies to cut service, reduce routes and lay off workers. To help sustain service to riders and the public, transit systems should be given the flexibility to use certain types of federal capital funds to pay operating costs when budgets are tight. This flexibility should be targeted and temporary, triggered by broad economic problems or budgetary constraints, such as a rise in unemployment, a spike in gas prices or other temporary budget stressors. We encourage Congress to consider permitting the temporary use of previously firewalled capital funds for operating expenses to avert service and job cuts and fair increases.

Transit Safety and Health Issues

MAP-21 included significant transit safety reforms and empowered the FTA to create and enforce federal safety standards. We support the administration’s efforts and encourage policymakers in Congress and the Administration to focus on workplace safety problems faced by transit operators every day. In recent years, there has been a dramatic rise in physical assaults against transit workers, particularly bus drivers. These attacks by passengers, often disgruntled by fare increases, take a variety of forms, from shootings to hitting, spitting and verbal insults. When they occur on a moving bus, they create serious risks – not only to the driver but also to pedestrians, other vehicles and passengers. These attacks have led to labor-management summits in New York City and Philadelphia in an effort to find shared solutions to the problem. A variety of approaches have been considered, including increased policing, more severe punishments, the use of DNA kits and others. As you write the reauthorization bill, we urge you to require the installation of barriers in buses to cut down on this type of abuse. Large, clear plexiglass screens should be installed between the bus operator and passengers using the fare box. This would eliminate most instances of assault, since an agitated passenger would be unable to touch the driver. The New York City MTA is already successfully moving forward with vehicle retrofits and the cost, sometimes less than \$2,000 per bus, is far less than the cost of lost time and medical bills associated with most assaults on workers.

Another health and safety issue faced by many bus drivers is the lack of bathroom access. There is no requirement that bus routes start or end in areas with restrooms. Obviously, this is a basic human need and the lack of restroom access contributes to long-term health problems for transit workers around the country. It also creates problems with distracted driving. A transit operator cannot safely drive a large transit vehicle full of passengers for long periods of time on a congested street when he or she has to go to the bathroom. TWU has worked with the San Francisco Municipal Transportation Agency to implement a new and promising approach to the problem. They are providing operators the use of restroom facilities by utilizing a mix of licenses, leases and permits with stores and restaurants along transit routes.

Labor Standards

TWU's reauthorization agenda is focused on providing high quality transit service and ensuring that transit jobs offer the pay and benefits that a worker needs to raise a family and live a middle class life. I cannot overstate the relationship between providing safe transit service and offering middle class jobs to qualified individuals. Middle class wages encourage employees to make a career out of their work. When an individual has a career they value, as opposed to just a job, they become vested in and take great pride in the quality of their work. The public should support fair wages in the transit sector because dedicated employees who have a career in transit care about the long-term quality of the work they do, which enhances safety and the safety culture. This offers a sharp contrast to many privatized jobs, in which low pay and minimal benefits lead to short-term employees, lower safety standards and practices, and a vastly diminished quality of service. Labor standards are also an essential part of this approach. Transit labor protections help to safeguard reliable labor-management relations, a process that provides an experienced, safe and professional workforce while allowing for productivity improvements and technological innovation. TWU supports extending transit labor protections to include new innovative financing proposals and other legislative reforms in the reauthorization bill.

Conclusion

I look forward to working with the Committee to advance public transportation policies that improve service for riders, spur our economy and provide good jobs for transit workers.

Thank you for allowing TWU to have this opportunity to testify before the committee.